UNITED NATIONS

General Assembly

FORTY-SEVENTH SESSION

Official Records

FIFTH COMMITTEE
32nd meeting
held on
Wednesday, 25 November 1992
at 3 p.m.
New York

SUMMARY RECORD OF THE 32nd MEETING

Chairman: Mr. DINU (Romania)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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A/C.5/47/SR.32
5 December 1992

ORIGINAL: ENGLISH

92-58013 6447S (E)

The meeting was called to order at 3.25 p.m.

AGENDA ITEM 104: PROGRAMME BUDGET FOR THE BIENNIUM 1992-1993 (continued)

Programme budget implications of draft resolution A/C.6/47/L.15 concerning agenda item 133 (A/C.5/47/56)

1. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions (ACABQ)) said that the draft resolution recommended by the Sixth Committee for adoption by the General Assembly (A/C.6/47/L.15) would authorize the Special Committee on the Charter of the United Nations and on the Strengthening of the Role of the Organization to hold its next session from 1 to 19 March 1993 in order to continue its work on the question of the peaceful settlement of disputes between States and to consider other proposals. The draft resolution also requested the Special Committee to submit a report on its work to the Assembly at its forty-eighth session. In his report (A/C.5/47/56), the Secretary-General indicated that the conference-servicing requirements would be $310,800 to be met within the appropriations authorized under the programme budget for the biennium 1992-1993. Accordingly, the adoption of the draft resolution would entail no additional programme budget implications for 1992-1993.

2. The CHAIRMAN suggested that, based on the statement of programme budget implications submitted by the Secretary-General (A/C.5/47/56) and the recommendations of ACABQ, the Committee should inform the General Assembly that, should it adopt draft resolution A/C.6/47/L.15, no additional appropriation would be required under the programme budget for the biennium 1992-1993.

3. It was so decided.

First report of the Advisory Committee on Administrative and Budgetary Questions (A/47/7)

4. The CHAIRMAN said he took it that the Committee wished to recommend to the General Assembly that it take note with appreciation of the first report of ACABQ.

5. Mr. ORR (Canada), referring to the statement in paragraph 10 of document A/47/7 that ACABQ had written to the Secretary-General to express its concern about the legislative basis for financing the activities of the United Nations Institute for Training and Research (UNITAR) from the regular budget, asked whether any further information on the status of UNITAR would be forthcoming from the Secretariat.

6. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Secretary-General had submitted a comprehensive report on the future of UNITAR which was being discussed in the

(Mr. Mselle)

Second Committee. Once the Second Committee had adopted a policy decision in that regard, ACABQ would address the administrative and financial implications of that decision.

7. It was so decided.

Construction of additional conference facilities at Addis Ababa and Bangkok (A/C.5/47/11 and A/47/7/Add.2)

8. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that ACABQ did not wish to comment on the construction project at Bangkok. The comments of the Advisory Committee on the project at Addis Ababa (A/47/7/Add.2) were not intended to prejudice any decisions which the General Assembly might take on the subject. The report of the Secretary-General (A/C.5/47/11) reviewed the progress made on the project, noting that, while there had been some improvement in the pace of work, the construction was still taking place under difficult circumstances. The ACABQ proposed that, if there were no objections, the Fifth Committee should, in accordance with its usual practice, take note of the two reports.

9. The CHAIRMAN suggested that the Committee should recommend to the General Assembly that it should take note of the report of the Secretary-General on the construction of additional conference facilities at Addis Ababa and Bangkok (A/C.5/47/11) and that it should concur with the request made by ACABQ in paragraph 4 of its report (A/47/7/Add.2).

10. It was so decided.

11. Mr. KINCHEN (United Kingdom), explaining his delegation's position on the decision just adopted, said that, with regard to the project at Bangkok, the United Kingdom was prepared to support the payment of the additional costs amounting to $535,000, so long as there was an intention to uphold the provisions of General Assembly resolution 41/213 and the new budgetary process.

12. Mr. MICHALSKI (United States of America) said that his delegation had objected in 1984 to the proposed construction of the conference centre at Addis Ababa and that it continued to object to the expenditure of funds for that purpose.

13. Mr. TEIRLINCK (Belgium) said that his delegation agreed with the views expressed by the United Kingdom representative.

Recommendation of the Advisory Board on Disarmament Matters in document A/47/345 concerning agenda item 63 (A/C.5/47/19)

14. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the subvention to the United Nations Institute for Disarmament Research (UNIDIR) from the regular budget of the United

(Mr. Mselle)

Nations was governed by the provisions of paragraph 3, article VIII, of the statute of UNIDIR. The General Assembly had approved an appropriation of $440,000 in the budget under section 5, Disarmament, for that purpose; the first subvention, for 1992, had been considered at the previous session, and the second subvention, for 1993, was before the Fifth Committee. In keeping with the observation of ACABQ that a formal request for a subvention for 1993 would have to be made to the General Assembly, the Advisory Board on Disarmament Matters had recommended a subvention amounting to $220,000.

15. Should the General Assembly decide to approve that recommendation, there would be no additional programme budget implications, as the amount had already been included in the programme budget for the biennium 1992-1993. ACABQ reaffirmed its view that support costs for the Institute should be financed from voluntary contributions tied to specific projects, and requested that the matter should be specifically addressed in future reports requesting subventions from the regular budget.

16. Mr. MICHALSKI (United States of America) said that his delegation had previously expressed reservations concerning the funding of UNIDIR and that its position had not changed. Drawing attention to the statement in paragraph 6 of document A/C.5/47/19 that vigorous fund-raising efforts had doubled the amount of contributions in convertible currency and broadened the base of financial support for the Institute, he wished to know, first, the figures on which that statement was based, and secondly whether, in the light of the increase in voluntary contributions, there was any prospect of reducing the annual subvention to UNIDIR in the future.

17. Mr. IRUMBA (Uganda) expressed appreciation for the information provided in document A/C.5/47/19. Since UNIDIR furthered the Organization's overall objectives, his delegation considered that a subvention from the regular budget should continue to be provided to that Institute.

18. Mr. DUVAL (Programme Planning and Budget Division) said that a substantial proportion of the governmental contributions in convertible currency which UNIDIR had received in 1992 was tied to implementation of specific projects, as shown in annex III of document A/C.5/47/19. While UNIDIR had been gradually implementing a policy under which a modest proportion of such tied contributions would be earmarked to meet administrative costs, there was still a shortfall in the provision for personnel costs, in particular. Thus, while it was to be hoped that the possibility envisaged by the United States representative would be realized in the near future, subventions were still needed for the time being.

19. Mr. INOMATA (Japan) appreciated the explanation given by the representative of the Programme Planning and Budget Division. He wondered whether the figure of 20 per cent of administrative costs being met from tied contributions, as shown in annex III of document A/C.5/47/19, was an estimate

(Mr. Inomata, Japan)

or whether it reflected actual performance. The General Assembly had repeatedly emphasized the need for the Institute's programme support costs to be financed from tied contributions, and had requested the Secretary-General to apply the notion of voluntary contributions to UNIDIR. As the document did not specifically refer to that request by the Assembly, he wondered whether it had been taken into account.

20. Mr. DUVAL (Programme Planning and Budget Division) said that the 20 per cent figure referred to the discussions which had taken place between UNIDIR and donors who made tied contributions in the context of the Institute's efforts to eliminate its reliance on subventions from the United Nations regular budget. UNIDIR had obtained the donors' agreement that a portion of their tied contributions would be earmarked to meet administrative support costs. As shown in annex II of document A/C.5/47/19, the rate of programme support costs in 1992 had been 5 per cent of expenditures incurred. The Secretariat proposed to maintain that percentage for the biennium 1992-1993, while keeping the issue of the rate of programme support costs under review, so as to bring it into line with the standard rate of 13 per cent as soon as the Institute's financial situation permitted.

21. Mr. KINCHEN (United Kingdom) asked whether it would be appropriate to refer, in the decision to be adopted by the Committee, to the Secretariat's intention to keep the rate of programme support costs under review.

22. Mr. INOMATA (Japan) wondered whether the representative of the Programme Planning and Budget Division had provided an accurate picture of the level of support costs. The figure of 5 per cent, mentioned in annex II, represented the amount of administrative costs paid by UNIDIR to the United Nations Office at Geneva. If the financial situation of the Institute did not improve, it could not be expected to pay as much as 13 per cent. A level of 20 per cent was more than the General Assembly had envisaged.

23. Mr. DUVAL (Programme Planning and Budget Division) said that the Institute was endeavouring to persuade donors not to tie their contributions or else to accept that a proportion of them be earmarked to cover the administrative costs of the Institute. In resolution 44/201, the General Assembly had asked the Secretary-General to review the question of programme support costs, and he merely wished to confirm that the matter would indeed be kept under review.

24. The CHAIRMAN proposed that, based on the note by the Secretary-General (A/C.5/47/19) and the recommendations of ACABQ, the Fifth Committee should approve the recommendation of the Advisory Board on Disarmament Matters in respect of a subvention of $220,000 from the regular budget of the United Nations for 1993, on the understanding that the level of support costs charged to the Institute would be kept under review. He also proposed that the Committee should inform the General Assembly that, should it decide to approve the recommendations of the Board of Trustees of UNIDIR, no additional

(The Chairman)

appropriations would be required under section 5 of the programme budget for the biennium 1992-1993.

25. It was so decided.

Revised estimates resulting from resolutions and decisions of the Economic and Social Council at its substantive session of 1992 (A/47/7/Add.4; A/C.5/47/21)

26. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of ACABQ (A/47/7/Add.4), said that, according to the report of the Secretary-General (A/C.5/47/21), the total estimated requirements arising out of resolutions and decisions adopted by the Economic and Social Council amounted to $2.2 million for the biennium 1992-1993 and $5.1 million for the biennium 1994-1995, a total of $7.3 million. The total requirement covered both substantive costs ($3.2 million) and conference-servicing costs ($4.1 million). The Advisory Committee had noted that the conference-servicing costs for the biennium 1992-1993 ($1.2 million) would be financed from within the resources already appropriated for the programme budget. The non-conference-servicing costs for the biennium 1992-1993 were estimated at $914,700. The Secretary-General had estimated that an amount of $292,500 would be required to meet additional requirements for activities derived from resolutions and decisions of the Economic and Social Council not provided for in the programme budget and requiring use of the contingency fund. The Advisory Committee had no objection to that estimate and recommended that, at the present stage, the Fifth Committee should take note of the figure, on the understanding that such additional appropriations as might be requested by the Secretary-General would be submitted in the context of a consolidated statement to the General Assembly towards the end of its forty-seventh session.

27. Mr. MICHALSKI (United States of America) welcomed the proposal contained in paragraph 30 of the Secretary-General's report (A/C.5/47/21) to terminate low-priority activities in case the additional requirements could not be met from the contingency fund. However, he noted that the proposed terminations would not be sufficient to cover the additional costs in full.

28. He also drew attention to the backlog in the work of the Committee on the Elimination of Discrimination against Women and the Committee on Economic, Social and Cultural Rights, and wondered whether the delays in question were the fault of the Secretariat, the States parties, or the committees themselves.

29. Mr. AL-MAKTARI (Yemen) said that he would welcome information as to why an additional session of the Committee on Economic, Social and Cultural Rights was being held during 1993.

30. Mr. DUVAL (Programme Planning and Budget Division) said that the reports of the committees in question had been processed by the Secretariat. The problem was one of finding meeting time to enable the committees to review and

take action on those reports. The proposed additional session of the Committee on Economic, Social and Cultural Rights was intended precisely to meet that requirement.

31. Mr. IRUMBA (Uganda) asked whether the information, contained in paragraph 30 of the report of the Secretary-General (A/C.5/47/21), to the effect that the subprogramme for a workshop on accessing women to credit had been identified as low priority, was accurate.

32. Mr. MICHALSKI (United States of America) said that he would welcome information concerning the rate of utilization of conference-servicing time for the Committee on the Elimination of Discrimination against Women and the Committee on Economic, Social and Cultural Rights.

33. Mr. AL-MAKTARI (Yemen) was concerned that no budgetary provision had been made for the use of Arabic at the meetings of the committees concerned.

34. Mr. DUVAL (Programme Planning and Budget Division) said that the activity referred to by the representative of Uganda had indeed been identified as low priority. That designation had not been directly affected by the revisions to the medium-term plan. In reply to the representative of Yemen, he noted that the conference-servicing costs in question were based on translation and meeting services in all six official languages. He regretted that the information requested by the representative of the United States concerning the use of conference-servicing time was not readily available, but would attempt to provide it in due course.

35. Mr. IRUMBA (Uganda) said that it was a matter for concern that activities aimed at capacity-building were being proposed for deletion. Surely savings could have been made elsewhere.

36. The CHAIRMAN proposed that the Fifth Committee should recommend to the General Assembly that, at the present stage, it should take note of the additional requirements resulting from the resolutions and decisions of the Economic and Social Council in 1992, estimated at $292,500, on the understanding that such additional appropriations as might be requested by the Secretary-General would be submitted in the context of a consolidated statement to the General Assembly towards the end of its forty-seventh session.

37. It was so decided.

International Computing Centre: 1993 budget estimates (A/C.5/47/24 and Corr.1)

38. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee recommended that the General Assembly should approve the estimated requirement of $13,789,700, given in the report of the Secretary-General (A/C.5/47/24 and Corr.1), as the budget of the International Computing Centre (ICC) for the biennium 1992-1993.

(Mr. Mselle)

No additional expenditure would be required from the regular budget. The report of the Advisory Committee would be published in due course.

39. Mr. ORR (Canada) said that he was perplexed by the corrigendum to the report of the Secretary-General (A/C.5/47/24/Corr.1) and failed to understand why the reduction in the inflation rate from 5.85 per cent to 3.9 per cent was not fully reflected in the revised figures for revaluation and resource growth.

40. Mr. MICHALSKI (United States of America) said that he did not understand why the report before the Committee was distributed at all, since the information it contained was so confusing. He wondered whether the high vacancy rate referred to in paragraph 10 of the report was an indication that the Secretariat was considering reducing the number of permanent Professional posts at the Centre.

41. Mr. DUVAL (Programme Planning and Budget Division) said that the ICC budget estimates were submitted annually to the General Assembly in accordance with its resolution 31/208 of 1976, as explained in paragraph 1 of the report.

42. The figures given in the report had been based on a wrong inflation rate of 5.85 per cent, initially proposed by ICC, and used in the estimates submitted to the Consultative Committee on Administrative Questions (CCAQ). They had later been revised to bring them into line with the standard Geneva inflation assumption of 3.9 per cent. It did indeed appear strange that there was no corresponding change in the amount of the estimates. The reason lay in the different budget methodologies of the United Nations and ICC. On the basis of participating organizations' projections of their requirements ICC calculated the amount of resources needed for the year, in the present case SwF 19,719,320. For the purposes of the report to the General Assembly the ICC budget format was translated into the United Nations regular budget format - a confusing process - but of course the original Swiss franc amount remained unchanged. It might be useful to consider presenting the ICC budget document in a different format in future years.

43. As to the vacancy rate, he could say that the vacancies were used to hire short-term staff. Pending the appointment of a new Director of ICC, no action had been taken to recruit permanent staff.

44. Mr. STITT (United Kingdom) said that a comparison of the tables in the report indicated over 4.5 per cent real growth in the budget presented according to the United Nations methodology, as against only 0.83 per cent in the original version. It still appeared that the conclusion of the representative of Canada was correct: the use of the different exchange rates should have resulted in a lower total estimate. As the Secretary-General's report did not justify any resource growth, his delegation would like to know whether the Committee could recommend to the General Assembly a cut in the ICC budget estimates.

45. Mr. MICHALSKI (United States of America) asked how long the post of Director had been vacant and whether it was normal United Nations practice to allow directors to select their own personnel even if some units were thus left understaffed.

46. Mr. BIRAUD (France) said that his delegation had the same questions as the United States. It would be surprising to learn that nothing had been done to fill the vacancies; perhaps difficulties had been encountered in filling the posts.

47. Mr. IRUMBA (Uganda) agreed with the French delegation. Perhaps the Secretariat could seek an answer on that point from ICC.

48. Mr. DUVAL (Programme Planning and Budget Division) said that the post of Director had been vacant since March 1992. It was not standard practice to leave posts vacant pending the appointment of directors. He did not know why the posts were vacant but would convey the concerns expressed in the Fifth Committee to the ICC Management Committee.

49. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the method of presenting the ICC budget estimates was indeed confusing. Furthermore, table 1 in document A/C.5/47/24/Corr.1 was based on a new methodology which ACABQ had yet to examine. The ICC budget estimates were calculated from projections by the participating organizations of the level of services required, which ICC was obligated to provide. If the Committee reduced the estimates, it would have to justify its action by saying which organizations using ICC services should cut their requirements. That would be difficult to do. The Committee could of course take whatever action it saw fit, but the result might be to reduce the capacity of ICC to meet the demands made upon it.

50. Mr. STITT (United Kingdom) said that it was a bizarre task for the Committee and the General Assembly to be required to approve the estimates. It was pointless for the Committee to try to analyse them in their present format, especially if it had so little scope for action. It might also be asked whether, in using ICC, the United Nations was procuring the services in the best way; perhaps they should be put out to tender.

51. Mr. INOMATA (Japan) said that it appeared that ICC needed approximately SwF 19.8 million regardless of what dollar figure was shown in the Secretary-General's report. There did indeed seem to be some error in the calculation of the dollar amount, but the question to be answered was simply whether ICC needed SwF 19.8 million.

52. Mr. DUVAL (Programme Planning and Budget Division) said that the Secretariat was not requesting an appropriation since the cost of ICC services to the United Nations was already provided for in the programme budget for the current biennium. The only action required of the General Assembly was to review the estimates for the 1993 budget, which was financed to only a limited extent by the United Nations, and to decide whether to approve them.

53. Mr. ORR (Canada) proposed that the decision taken by the Committee should include a request for future ICC budget estimates to be presented in a format which took account of the unique nature of the Centre.

54. The CHAIRMAN suggested that the Committee should recommend to the General Assembly that it should approve the 1993 budget estimates of the International Computing Centre and request that future budget estimates should be presented in a format consistent with the unique nature of the Centre.

55. It was so decided.

The meeting rose at 5.30 p.m.

UNITED NATIONS

General Assembly

FORTY-SEVENTH SESSION

Official Records

FIFTH COMMITTEE
33rd meeting
held on
Friday, 27 November 1992
at 3 p.m.
New York

SUMMARY RECORD OF THE 33rd MEETING

Chairman: Mr. ZAHID (Morocco)
(Vice-Chairman)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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AGENDA ITEM 145: FINANCING OF THE UNITED NATIONS OPERATION IN SOMALIA (continued)

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7 December 1992

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In the absence of Mr. Dinu (Romania), Mr. Zahid (Morocco), Vice-Chairman, took the Chair.

The meeting was called to order at 3.25 p.m.

AGENDA ITEM 145: FINANCING OF THE UNITED NATIONS OPERATION IN SOMALIA (continued) (A/47/607 and A/47/674; A/C.5/47/L.3)

1. Mr. SPAANS (Netherlands) said that the draft resolution on the financing of the United Nations operation in Somalia (UNOSOM) (A/C.5/47/L.3) had been agreed upon in the informal consultations and followed the standard format for resolutions concerning the financing of peace-keeping operations. All the participants in the informal consultations deserved commendation for their constructive and flexible approach. By that display of solidarity with Somalia, the Committee was making a modest contribution to easing the suffering of its people. He suggested that the draft resolution should be adopted without a vote.

2. Mr. INOMATA (Japan) said that his delegation would like the Acting Controller to clarify the implications of paragraphs 1, 4 and 5. The question of the duration of the mandate of UNOSOM was a matter for the Security Council, but it should be settled quickly for the reasons given by the Advisory Committee on Administrative and Budgetary Questions (ACABQ) in its report (A/47/674). Perhaps the Acting Controller could indicate what liaison would take place between the Secretariat and the Security Council to expedite the resolution of the issue.

3. Mr. BAUDOT (Acting Controller) said that the Secretariat had noted the recommendation made in paragraph 7 of the ACABQ report, which was endorsed in paragraph 1 of the draft resolution, and the different views expressed during formal and informal meetings concerning the duration of the UNOSOM mandate. While fully respecting the prerogatives of the General Assembly and the Security Council, the Secretariat would, when transmitting the resolution to the competent authorities for the preparation of the report which the Secretary-General intended to submit to the Security Council, draw attention to those views and to the way in which paragraphs 4 and 5 should be interpreted by the Secretariat.

4. Draft resolution A/C.5/47/L.3 was adopted without a vote.

5. Mr. INOMATA (Japan) said that his delegation had joined in the consensus on the draft resolution on the following understanding. First, as pointed out by the Advisory Committee, the question of the duration of the mandate should be resolved as soon as possible. In that respect, his delegation was satisfied with the explanation given by the Acting Controller. Second, the authorization given to the Secretary-General in paragraph 9 to enter into commitments for the period beyond 30 April 1993 must not constitute a precedent. The authorization had been decided upon without a recommendation

(Mr. Inomata, Japan)

by the Advisory Committee, which was of the view that commitment authorization and appropriation for that period should be subject to the action to be taken by the Security Council concerning the continuation of the mandate and that the requirement should be determined in the light of the future report of the Secretary-General on the situation in Somalia and his performance report on the financing of UNOSOM. It was premature to specify a level of expenditure for the period beyond 30 April 1993. Third, paragraph 9 should not be interpreted as authorizing the Secretary-General to delay the submission of cost estimates for periods beyond 30 April 1993. The timely submission of a UNOSOM budget for periods beyond that date was essential for the assessment and correction of contributions and the discharge of the Organization's financial obligations to troop-contributing States. The procedures set out in the paragraph might jeopardize the integrity of the peace-keeping operations budget review process and lead to relaxation of the discipline of budgetary control.

6. His delegation was pleased that the bulk of the start-up financial requirements, including pre-implementation costs, was being met with resources from the Trust Fund in Support of United Nations Peacemaking and Peace-keeping Activities. The Japanese Government endorsed the Secretary-General's intention to use the resources of the Trust Fund for UNOSOM. To date, Japan had made cash grant contributions to the Trust Fund of $7.5 million and was in a position to make further contributions. It expected the Secretary-General to continue to make active use of the Trust Fund for start-up operations and appealed to Member States to make voluntary contributions to it.

7. Mr. MICHALSKI (United States of America) said that the United States strongly supported the operation in Somalia and was pleased to join in the consensus on the draft resolution. Its support of the financing scheme set out in paragraph 7 was without prejudice to the United States position on adjustments to the special scale of assessment for peace-keeping operations, aspects of which would be addressed later in the session.

The meeting rose at 3.45 p.m.

UNITED NATIONS

General Assembly

FORTY-SEVENTH SESSION

Official Records

FIFTH COMMITTEE
34th meeting
held on
Monday, 30 November 1992
at 3 p.m.
New York

SUMMARY RECORD OF THE 34th MEETING

Chairman: Mr. DINU (Romania)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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AGENDA ITEM 124: ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACE-KEEPING OPERATIONS (continued)

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Distr. GENERAL
A/C.5/47/SR.34
9 December 1992

ORIGINAL: ENGLISH

92-58070 6476S (E)

The meeting was called to order at 3.25 p.m.

AGENDA ITEM 124: ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACE-KEEPING OPERATIONS (continued) (A/47/484)

1. Mr. BAUDOT (Acting Controller), introducing the report of the Secretary-General (A/47/484) called for in paragraph 6 of General Assembly resolution 46/240, recalled that an earlier report on the same subject had been submitted to the Assembly in 1989 (A/44/605/Add.2). That report referred to the ad hoc arrangement, under paragraph 2 of General Assembly resolution 3101 (XXVIII), whereby four groups of Member States were established for the apportionment of the costs of peace-keeping operations financed through assessed contributions. The ad hoc arrangement had subsequently been modified by successive Assembly resolutions.

2. In the absence of any strictly objective criteria for the composition of the four groups, the Secretary-General suggested in his report that the Assembly might wish to consider the automatic allocation of least developed countries to group (d) and, more generally, the question of increasing the number of groups. Annex II provided an illustration of how anomalies might be determined if per capita national income were used as a criterion: it illustrated one possible approach to the problem and did not contribute a formal proposal. It was, of course, the business of Member States to decide how best to apportion the costs of peace-keeping operations, and the Secretariat could prepare alternative illustrative tables on the basis of whatever other criteria might be suggested.

3. Ms. SLATER (United Kingdom), speaking on behalf of the 12 States members of the European Community, said that the Twelve would consider carefully all requests concerning the composition of existing groups. However, they believed that any modification must be restricted to legitimate anomalies, bearing in mind one of the principal criteria set forth in General Assembly resolution 3101 (XXVIII), namely, the capacity of States to pay. Accordingly, allocation to groups (b), (c) or (d) should not be seen as permanent but as depending on long-term developments in a State's capacity to pay. Her delegation recalled the statement made by Spain when that country had made a voluntary move to group (b) and emphasized that any modifications must address all the anomalies noted in the Secretary-General's report.

4. Mr. NEJEDLY (Czechoslovakia) said that the report of the Secretary-General offered a just and simple solution to the problem of anomalies in the composition of the existing groups, based on objective and broadly recognized criteria. As all members of the Committee were aware, their task was to eliminate anomalies rather than to devise an entirely new system, and the changes suggested in annex II would not be numerous. His country's economic situation made it essential that a decision not be delayed. Although it might be useful to have a working group study the question further, his delegation strongly believed that a decision along the lines suggested in the Secretary-General's report should be adopted at the current session.

5. Mr. FERJANI (Libyan Arab Jamahiriya) said that the Secretary-General's proposal to place all Member States with per capita national income averages at or above $5,000 in group (b) was incompatible with the criteria applied by the General Assembly in the past with respect to movements between different groups. It also resulted in the allocation of a number of small developing countries to the same group as powerful industrial States, while a number of other countries with strong economies were placed in group (c).

6. Per capita national income was not acceptable, either to the Committee on Contributions or to the General Assembly itself, as the only criterion by which to determine a State's capacity to pay. The way to address the existing anomalies was to follow the past practice of the General Assembly, in other words, to examine individually each request by a State wishing to move from one group to another. His delegation would have no objection to any such request, but could not support the proposal contained in the report of the Secretary-General.

The meeting rose at 3.55 p.m.

UNITED NATIONS

General Assembly

FORTY-SEVENTH SESSION

Official Records

FIFTH COMMITTEE
35th meeting
held on
Tuesday, 1 December 1992
at 10 a.m.
New York

SUMMARY RECORD OF THE 35th MEETING

Chairman: Mr. DINU (Romania)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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AGENDA ITEM 114: UNITED NATIONS PENSION SYSTEM (continued)*

AGENDA ITEM 104: PROGRAMME BUDGET FOR THE BIENNIUM 1992-1993 (continued)

Administrative arrangements for the secretariat of the United Nations Scientific Committee on the Effects of Atomic Radiation

Level of secretaries of intergovernmental policy-making organs

AGENDA ITEM 12: REPORT OF THE ECONOMIC AND SOCIAL COUNCIL

* Items considered together.

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The meeting was called to order at 10.25 a.m.

AGENDA ITEM 113: UNITED NATIONS COMMON SYSTEM (continued) (A/47/30; A/C.5/47/25, A/C.5/47/36, A/C.5/47/37 and A/C.5/47/38)

AGENDA ITEM 114: UNITED NATIONS PENSION SYSTEM (continued) (A/47/9 and A/47/578; A/C.5/47/8 and A/C.5/47/25)

1. Mr. LADSOUS (France) welcomed the participation of the representatives of the staff in the debates on the common system and the pension system, since the staff were the first to be affected by the Committee's decisions on those items.

2. In its deliberations on the items before it, the Committee must go beyond purely technical considerations. He wondered whether the Noblemaire principle, whereby conditions of service of international staff should be such as to attract nationals of countries with the highest salary levels, was still being respected. The Secretary-General, in his statement before the Fifth Committee on human resources management, had made it clear that it was essential for the common system to be competitive in the world market, in the case of staff in the professional and higher categories, and in the local market at every duty station, in the case of local staff to whom the Flemming Principle applied. The staff associations had reached a similar conclusion, and in that connection, he asked the International Civil Service Commission (ICSC) to indicate whether the studies conducted by the Federation of International Civil Servants' Associations (FICSA) had any technical shortcomings.

3. The Secretary-General had spoken of a comprehensive approach to human resources management: questions such as remuneration could not be considered without regard to career development and staffing policies, which in turn must be based on productivity, technological innovation and the organization services. One of the major failings in the traditional organization of the work of the Fifth Committee was that responses were compartmentalized in separate debates and resolutions under separate items. The Committee was thus led to believe that there was a direct and exclusive correlation between personnel costs and remuneration. In reality, more competent, better paid and more motivated staff could generate significant management economies, as had long been recognized in private enterprise and some civil services. The disturbing practice of recruiting at too high a level sufficed to show that savings were often illusory. Moreover, errors at the higher levels could have important budgetary implications and serious repercussions on the discharge of mandates.

4. The Committee should thus take a broader view, encompassing the system as a whole. He wondered whether it was acceptable that significant and long-standing differences in remuneration should continue to exist between the Bretton Woods institutions and the other specialized agencies, with a

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consequent movement of staff towards the World Bank and the regional development banks which offered comparable salaries.

5. The Fifth Committee did not simply exercise financial control over the common system: it also had a responsibility to ensure that management of the system was flexible and realistic. In that connection, the Committee must heed a number of portents: there had been letters from the staff; the Administrative Committee on Coordination (ACC) had warned the Fifth Committee that it was of paramount importance that the conditions of service in the common system should be competitive and had noted that that was not so in the case of the Professional and higher categories; the Consultative Committee on Administrative Questions (CCAO) had called for greater competitiveness for posts at the D-1 level and above, while ICSC had suggested special occupational rates; specialized agency consultancy rates, based on remuneration in the common system, no longer attracted the best experts; and the comparator civil service had adopted an increasing number of special rates and payments and additional steps to make General Schedule remuneration more competitive, while the adoption of the Federal Employees Pay Comparability Act (FEPCA) in 1990 reflected recognition by the United States authorities of the need to redress the lack of competitiveness of Federal Civil service pay. If the Fifth Committee, was to apply the logic of a comparator civil service, it should do so fully.

6. The General Assembly faced a political choice: it could decide either to continue to ignore the outside world and risk further slippage, or to reapply the Noblemaire principle in the world labour market. The Commission should be requested to assess the problem of competitiveness within the system pragmatically. The real question was the extent to which recruitment and retention difficulties were due to a general decline in the conditions of service of staff in the Professional and higher categories and how far they were due to specific problems which could be resolved by temporary provisions.

7. The first step would be to eliminate any systematic bias affecting comparisons with the comparator civil service. Since ICSC had belatedly realized that its current methodology for determining the cost-of-living differential between New York and Washington was deficient, the Assembly should, at the current session, take the necessary decision of principle and entrust the Commission with the purely technical options referred to in paragraph 143, subparagraph (b)(i) and (ii), of its report without further delay. The incontrovertible facts must be established through dialogue between all the parties concerned. To that end, each organization, fund or programme should bring together representatives of its governing body, secretariat and staff with representatives of CCAQ and ICSC. Such a group could quickly establish the facts relating to the organization and duty station in question for submission to the Commission. In each case, the main competitors should be identified, disparities in remuneration assessed, and note taken of trends regarding the geographical origin of those seeking employment, the response to vacancy announcements, and retention. Thus, armed

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with the facts, the Commission would be able to address the question of restoring competitiveness through a comprehensive approach rather than a series of palliatives.

8. Such an approach would not relieve the Committee of its obligation to take positive decisions on the various proposals put forward by the Commission relating to the base/floor salary scale, dependency allowances and housing allowances. Biennialization made such adjustments all the more necessary.

9. If ICSC were to propose significant measures to restore the conditions of service of staff in the Professional and higher categories to a world level, he wondered what would remain of such anomalies as income inversion, which had long been advanced as a justification for measures relating to the General Service category. In that connection he noted that contribution rates for staff with effect from 1 January 1992 had, at most duty stations, reduced discrepancies between the pensionable remuneration of General Service and Professional staff.

10. On the general question of the remuneration and pensions of General Service staff, he asked whether any study had been conducted of the impact of the various measures envisaged, or whether the intention was simply to wait and see whether the multiplier effect of the measures would go beyond the intended objectives.

11. It was not clear to his delegation whether the recommendations on General Service pensionable remuneration in paragraphs 99 and 100 of the ICSC report had been prepared in consultation with the United Nations Joint Staff Pension Board (UNJSPB) and, in particular, whether Member States had been apprised of them. The recommendations were presented as decisions of a sovereign commission, although they clearly exceeded its competence, since they seemed to fall within the purview of article 54 of the regulations of the United Nations Joint Staff Pension Fund (UNJSPF), and as such could only enter into effect in accordance with the amendment procedure provided for in article 49 of those regulations: that implied a decision by the Pension Board, which had not yet been taken. Moreover, if the Commission's recommendations were accepted, each specialized agency would need to amend its regulations, which currently referred to those of the Pension Board. That would probably give rise to appeals.

12. It was, in fact, for the Assembly to determine how matters should proceed, on the basis of recommendations by the competent organs in compliance with current procedures. Indeed, such an approach had been intended by the Assembly when it had approved the comprehensive review. In fact, the Commission, at the forty-sixth session, had noted in its report that other methodologies should be considered before any final decision was taken.

13. His delegation could support a number of the elements in the methodology proposed for each phase, but would need clarification regarding a number of

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other points. It also had certain reservations. One such reservation related to the specific reference in article 54 of the Pension Fund Regulations, to the language allowance, which ICSC proposed should be discontinued at headquarters duty stations at which the local language was not one of the working languages of the organization in question.

14. His delegation took a great interest in the conditions of employment and retirement of staff, and, through them, in the mandates entrusted by Member States to the United Nations system. The best means of maximizing cost-effectiveness in the discharging of those mandates was to provide the best human resources possible.

15. Mr. BEL HADJ AMOR (Chairman of the International Civil Service Commission) said that the United Nations and its affiliated agencies were undergoing a sea change in terms of the roles they were being called upon to play. In an era of increasing responsibility, the fair and equitable treatment of the staff, the most valuable resource of the organizations, was ever more important and crucial to the successful discharge of mandates. The role of ICSC, as the central body in the regulation and coordination of conditions of service throughout the common system had been strongly endorsed by all Member States, and the Commission would continue to execute its function with objectivity and impartiality.

16. On the question of General Service pensionable remuneration, he said that, while the Commission understood that matters relating to pensions fell within the mandate of the Pension Board, it had a responsibility, under its statute, for decisions relating to all aspects of the salary-setting process and for recommendations regarding staff assessment rates. There was no doubt that the primary responsibility for the issue of pensionable remuneration rested with ICSC.

17. With regard to the implications for the Staff Regulations and Rules of the Commission's decisions regarding the methodology for the determination of General Service pensionable remuneration, ICSC had deliberately recommended that the revised procedures should be applied only from 1 January 1994. The study was not complete, and the Commission still had to address the two issues of staff assessment rates and the non-pensionable component of salary; that would be done in cooperation with UNJSPB. The intervening year would allow the Commission, the Pension Board and the organizations to discuss the implications of the changes for the organizations' staff regulations and rules as well as for the Regulations of UNJSPB.

18. As for the comment that the decision to use only a part of the net salary for the calculation of pensionable remuneration was arbitrary, he pointed out that the need for equitable treatment of all staff underlay the income replacement approach, which had first been approved by the General Assembly for the Professional and higher categories of staff in 1986 and had been reaffirmed in 1990. The Committee would note from the ICSC report that the

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Commission had asked the General Assembly to make an exception to biennialization so as to enable it to submit its recommendations to the General Assembly in 1993. It had been suggested that to comply with the General Assembly's resolution on the biennial approach the Commission should submit its report on the outstanding issues at the forty-ninth session, a suggestion that ran counter to the requests previously made by the General Assembly for the Commission to complete its consideration of that matter with all due speed. Accordingly, it would be logical for the General Assembly to exercise flexibility and complete its consideration of the issue of General Service pensionable remuneration as early as possible, in other words, at its next session.

19. The view had also been expressed that local taxes could be used rather than staff assessment for grossing-up purposes in respect of General Service pensionable remuneration. If that practice were adopted, it should be understood that the local taxes in question would be those levied on pensions and not those applicable to salaries. The General Service salary survey process, however, enabled the Commission to collect tax data on salaries but not on pensions, although such data could be collected if the General Assembly wished. The introduction of separate, special procedures would, however, ultimately further complicate the system, and the use of local taxes on pensions would have an overall adverse effect on the levels of pensionable remuneration at many field duty stations.

20. With regard to the details of the methodology used by ICSC in arriving at the significantly higher income placement ratios resulting from the two alternatives used to determine pension benefits outside the Pension Fund for elected ungraded officials, he said that the Commission had noted that the limitations on the terms of office of some of those officials had to be borne in mind in determining appropriate levels of pensions. An element of judgement was thus introduced. Upward adjustment of the income replacement ratios was a form of compensation for the short careers of such officials. The recommendations of the Commission had not been underpinned by technical formulas, but by an analysis of all the relevant factors that had led to the levels set out in annex III of the Commission's report. As it was proposed that the benefits resulting from the two alternatives should be paid outside the Pension Fund, the issue of currency fluctuation did not arise.

21. Some delegations had commented that the United States Federal Civil Service might not be the highest paid civil service and had asked why the Commission had not submitted a report on the studies pertaining to the identification of the highest paid civil service. He pointed out that, in section VI of resolution 46/191, the General Assembly had addressed the issue of the comparator and had invited the Commission to analyse the potential consequences of the Federal Employees Pay Comparability Act of 1990 on the pay levels of the current comparator and to report thereon to the General Assembly at its forty-ninth session. A continuation of the comparator country study before the effects of FEPCA on the salaries of the current comparator were

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known would only produce inconclusive results. For that reason, the Commission expected to submit a report on its studies in 1994. It had been suggested that the Commission should re-examine alternative applications of the Noblemaire principle such as the use of a mix of private and public-sector employers, the approach used by the World Bank, or direct comparisons with the World Bank, the European Economic Community or the Organization for Economic Cooperation and Development. The Commission would appreciate guidance from the General Assembly in that regard.

22. With regard to the deficiency of the current methodology for determining the cost-of-living differential between New York and Washington, he wished to clarify that the United Nations system was not a mere carbon copy of the United States Federal Civil Service, which had been used as the comparator since the inception of the United Nations, but that the two civil services differed significantly.

23. The margin calculation methodology had been addressed in detail in the Commission's annual report for 1987 (A/42/30) and ICSC had recommended to the General Assembly that comparisons should be based on United Nations Professional staff in New York and their United States counterparts in Washington. The Commission had also emphasized that, by virtue of the concept of equalization of purchasing power, the cost-of-living differential between Washington and New York should be taken into account. In resolution 42/221, the General Assembly had decided to maintain that methodology, which had again been reviewed by the Commission in the context of the 1990 comprehensive review of the conditions of service of staff in the Professional and higher categories; the Commission's recommendations had been approved in resolution 44/198.

24. The real objective in changing the procedures used to calculate the cost-of-living differential was to determine the real value of United States Federal Civil Service salaries in Washington after adjustment for the difference in costs of goods and services between Washington and New York. The current procedure used the United Nations post adjustment indices, one of the major shortcomings of which was the narrow base for the housing data relating to United Nations officials in Washington, which had an impact on the level of remuneration of a far higher number of Professional staff members. That issue had been studied at length by the Advisory Committee on Post Adjustment Questions (ACPAQ), which had recommended that the proposed approach was more in line with the objectives.

25. The issue of the imbalance between margin levels for the upper and lower levels of the Professional salary scale went far beyond simply ironing out differences in margin levels at different grades and concerned the very structure of the scale. The Commission intended to address that issue shortly, prior to submitting a detailed report as soon as possible.

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26. The Commission had been requested to devise a consistent scheme for the rental subsidy that took into account factors such as the distinction between the rental subsidy and that part of the post adjustment allocated for housing. He pointed out that the current scheme had been carefully examined by the Commission at its March session and that the Commission had concluded that the present arrangements had worked well. However, he invited delegations to bring to the Commission's attention any technical considerations they wished to have examined.

27. The Coordination Committee of the World Intellectual Property Organization (WIPO) had requested the Commission to study the issues of working hours and accelerated increments for languages, which the Commission would address at its summer and March sessions, respectively, prior to making recommendations in its report for 1993.

28. A detailed explanation of the procedure used to determine dependency allowances and of the relationship between those allowances and tax abatements and social security benefits at the seven headquarters duty stations would be provided in a working paper with a view to assisting the Committee in informal consultations. It had been suggested that dependency allowances were not based on the comparator's practice and that they thus represented a significant benefit for United Nations staff. The use of comparator practice alone could, however, result in much greater costs for the system as a whole. As far as secondary dependants' allowances were concerned, secondary dependants were recognized only when a staff member had no primary dependant, and proof of dependency was required for the allowance, which the organizations were responsible for monitoring.

29. Details of the financial implications of the proposed increases in the maximum amounts of the education grant were provided by CCAQ, which would make the information available for informal consultation. It had been suggested that the education grant for the common system was not based on comparator practice and again represented a significant benefit for United Nations common system staff. He pointed out, however, that, although there were differences of detail in the respective benefits, taken in their entirety the systems could be considered comparable.

30. The apparent discrepancies between fee increases and recommended grant increases were attributable to the dual system employed by the Commission, under which education-related costs had first to rise by at least 5 per cent in a particular currency area before the Commission introduced an upward adjustment that was carefully designed to cover 95 per cent of the cases.

31. The Commission had considered at length the pros and cons of various approaches to the issue of representation allowances for senior officials, whose representational functions differed. A common system approach was therefore not the best solution. However, if Member States wished to introduce some form of monitoring, such an arrangement could be tailored to each organization.

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32. Some delegations had referred to respect for the Flemming principle in connection with the General Service survey methodology, while others had questioned the exclusion from the survey of employers with fewer than 100 employees. The Flemming principle remained a basic tenet of the Commission, and equity in the treatment of different categories of staff was just as important in the salary-setting process as it was in connection with the methodology used for General Service pensionable remuneration. The exclusion of small employers worked both ways: the civil services of some countries were undoubtedly better paid than the United States Federal Civil Service, although they were numerically small and were thus not used for purposes of comparison under the Noblemaire principle. The same applied to General Service salaries, and it would be inappropriate to determine the conditions of service of thousands of General Service staff on the basis of conditions in firms with only 50 employees. It had even been suggested that at some duty stations the minimum number should be higher; the figure of 100 represented a difficult compromise.

33. After an in-depth consideration of the issue of the language factor - the language allowance paid at headquarters duty stations at which the local language was not one of the working languages of the organization in question - the Commission had concluded that it should be discontinued.

34. One of the most difficult elements of the Commission's review of the survey methodology had been the criteria for selecting employers. The Commission had considered that transitional measures were appropriate on that particular issue until revised criteria had been prepared. A survey which, like all future surveys, would be carried out in accordance with the revised methodology, was currently under way in Paris.

35. The reason for the Commission's decision to stop interim adjustments as of a date six months prior to the reference survey date was that a survey's purpose was to compare the United Nations system with the outside labour market in terms of conditions of employment. The withholding of interim adjustments falling due six months prior to the survey was felt to be the most appropriate means of avoiding problems similar to those encountered at the time of the previous General Service salary survey in New York, when common system salaries had been found to be higher than those applicable in the outside labour market.

36. Some delegations had asked whether adjustments had been made for advantages resulting from the indexing of United Nations conditions of service and pensions to the cost of living at a given duty station. While, as indicated in paragraph 218 of its report, the Commission had felt that comparisons of conditions of service should not be limited to salaries and allowances, it had recognized that there were no technical mechanisms for measuring certain public-sector advantages such as security of employment. With respect to pensions, the Commission had analysed comparability with local pensions in the context of its study of the pensionable remuneration and

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consequent pensions of staff in the General Service and related categories. The results of the analysis had been mixed, some outside pensions being better than those of the common system and others worse.

37. A question had been asked as to the definition of "commuting distance" from the duty station in the context of the selection of comparator employers and whether it varied from one duty station to another. In the view of the Commission, that distance was best defined pragmatically. The issue for the Commission had been whether to continue to include employers which were clearly beyond commuting distance, however that was defined.

38. Lastly, with regard to the report which the Secretary-General had been requested to submit to the General Assembly at its forty-seventh session regarding procedures whereby the Secretary-General and other executive heads could take measures to adjust salary scales at variance with the Commission's recommendations (resolution 45/241, sect. XIII, para. 3), ICSC, too, would be interested in seeing that report.

39. With regard to the mobility and hardship scheme, he wished to assure the Committee that the linkage between the base/floor salary scale and the mobility and hardship allowance would be reviewed in 1995 during the next review of the scheme's operation. Meanwhile, it should be noted that, as indicated in paragraph 276 of the ICSC report, the corresponding allowances under the comparator's scheme were higher in most cases than the United Nations package. As for the possibility that the package might discourage staff from moving to easier locations, he pointed out that the purpose of the scheme was to encourage staff to move to, and remain at, difficult locations.

40. Several delegations had requested a precise quantification of the administrative savings derived from the introduction of the scheme. Although it was still too early to gauge the full impact, the United Nations Development Programme (UNDP) and the Office of the United Nations High Commissioner for Refugees (UNHCR), two organizations with large numbers of field staff, had estimated that administrative savings averaged between $5,000 and $8,000 per year for each staff member reassigned since the implementation of the new package. On that basis, there had been a savings of around $3 million for those organizations alone. Additional information on administrative savings was contained in paragraph 266 of the report, and the Commission expected to be able to provide further quantitative data in its 1995 report.

41. On the question of the status of women, he said that the real problem was in the implementation of recommendations; the Commission would continue to report on progress in that respect. As to whether the ICSC recommendations on family-related issues (A/47/30, para. 296 (f) reflected existing practice, he said that most of the common system organizations offered their staff the possibility of part-time employment and that flexible working hours were in place in a number of organizations. Job-sharing was not wide-spread, and flexi-place (telecommuting) was virtually non-existent.

42. Mr. AITKEN (Chairman of the United Nations Joint Staff Pension Board) said that the representative of Australia, speaking also on behalf of Canada and New Zealand, had urged the Pension Board to follow the internationally accepted pension fund practice of reporting actuarial imbalances in monetary terms rather than in terms of a percentage of pensionable remuneration. According to those countries, the 0.57 per cent imbalance in the United Nations Joint Staff Pension Fund might be equivalent to as much as $2.7 billion.

43. The clear distinction which the Board made between the results of actuarial valuations and the financial statements of the Fund was a longstanding practice recommended and supported by the Board of Auditors. While the Pension Board had indicated the Fund's actuarial surplus or deficit in dollar amounts prior to 1980, it had abandoned that practice as misleading. The actuarial position of the Fund - in other words, the difference between inflow from contributions and outflow from benefit payments for all future years - could vary widely depending on the long-term economic and demographic assumptions made, which were closely monitored by the Consulting Actuary and the Committee of Actuaries and adjusted at need. The objective was not to achieve an exact actuarial balance but to take any measures necessary to arrest or correct adverse trends. Such measures would normally take the form of increasing the flow of monies into the Fund (contributions), decreasing the flow of monies out of the Fund (benefits), or both. The Committee of Actuaries and the Pension Board therefore believed that the most meaningful way to indicate the actuarial position of the Fund was as a percentage of pensionable remuneration, since the level of pensionable remuneration affected both the level of contributions and that of benefits.

44. The $2.7 billion figure cited by the representative of Australia was based on a comparison of the actuarial value of the Fund's assets as of 31 December 1990 with its long-term projected liabilities on a "plan-termination" basis, in other words, what the deficit would have been if the Fund had actually ceased to exist as of 31 December 1990. That approach would make sense only if the United Nations system suddenly ceased to exist. According to the Consulting Actuary, it was more appropriate for private companies, since, if a company's pension plan were terminated, a deficit could directly affect the liabilities of the company's investors. Since UNJSPF was a civil service pension scheme, the method used by the Consulting Actuary was to compare the sum of the actuarial value of the Fund's current assets and the current value of future contributions on behalf of present and future participants with the actuarial value of future liabilities, the latter consisting of the present value of benefits payable plus the present value of benefits expected to be paid on behalf of present and future participants. On that basis, and assuming a 3 per cent real rate of return on investment, the actuarial deficit as of 31 December 1990 would be around $640 million, as compared to the $2.7 billion calculated on a plan-termination basis.

(Mr. Aitken)

45. He further stated that, in order to indicate progress made towards restoring the actuarial balance, the Board's reports to the General Assembly on actuarial valuation results provided information on the ratio of assets to liabilities on a plan-termination basis. In addition, the Committee of Actuaries received and commented on annual projections of the values of the Fund's assets and liabilities, based on a range of economic assumptions. Under a number of those assumptions, assets would continue to exceed liabilities well into the future. It should also be noted that it had never yet been necessary to ask the member organizations to make additional contributions in order to correct an actuarial imbalance.

46. With regard to the comprehensive review of General Service pensionable remuneration and consequent pensions, he said that the Pension Board's three constituent groups - the governing bodies, the executive heads and the participants in the Fund - had equal representation, making it a good forum for negotiation. Since 1986, it had followed the practice of reaching decisions on its recommendations to the General Assembly by consensus; 1992 had been the first year in which it had been unable to reach such a consensus on a major item on its agenda. At its August 1992 session, ICSC had adopted an approach to the methodological issues similar to the one followed by the Pension Board. He was therefore hopeful that, with the assistance of the views expressed in the resolution which the Committee would recommend to the General Assembly, the Pension Board would be able to reach a consensus on all the parameters of a revised methodology during the next stage of its review.

47. Some concern had been expressed as to the appropriateness of the Commission taking decisions, as opposed to making recommendations, on some aspects of a revised methodology. He believed that such concern would best be resolved in the subsequent work to be carried out by ICSC and the Pension Board. While it was clear from the relevant General Assembly resolutions that the primary responsibility for determining pensionable remuneration lay with ICSC, the Assembly had also recognized that UNJSPB had an essential part to play, since the level of pensionable remuneration affected the amounts of pensions. In his view, therefore, decisions affecting pensionable remuneration should be taken only by the General Assembly, which had sole legislative responsibility for the United Nations pension system. If such decisions required changes in the Fund's Regulations prior consultation with the Pension Board would have to take place in accordance with article 49 of those Regulations.

48. Finally, he wished to emphasize the importance of the outcome of the Fifth Committee's deliberations in improving the prospects for resolving differences during the next stage of the review of the pensionable remuneration and consequent pensions of staff in the General Service and related categories.

AGENDA ITEM 104: PROGRAMME BUDGET FOR THE BIENNIUM 1992-1993 (continued)

Administrative arrangements for the secretariat of the United Nations Scientific Committee on the Effects of Atomic Radiation (A/47/7/Add.3; A/C.5/47/26)

49. Mr. IRUMBA (Uganda) said that his delegation regarded the work of the United Nations Scientific Committee on the Effects of Atomic Radiation (UNSCEAR) as extremely important, particularly for countries which, although not themselves involved in the nuclear field, could suffer the effects of nuclear tests. The secretariat unit concerned was, if small, effective. There might be a case for locating the unit in Nairobi, where the United Nations Environment Programme (UNEP) had its headquarters.

50. His delegation took note of the comments in paragraphs 11 and 12 of the Secretary-General's report (A/C.5/47/26), and of the observations regarding the separate nature of the mandates of UNSCEAR and the International Atomic Energy Agency (IAEA). It took note of the Committee's view, in paragraph 12 of the Secretary-General's report, that alternative arrangements for the secretariat of UNSCEAR might prejudice the perception of its authority and independence, but it doubted that that would be the case. IAEA was, in the last analysis, a subsidiary body set up by the General Assembly and should seek ways to cooperate rather than assert its independence.

51. Mr. JADMANI (Pakistan) asked why a second Professional post in UNSCEAR had not been filled since 1980. If the post were not required, it could be used for other activities.

52. Mr. KHAMIS (Office of Programme Planning, Budget and Finance) said that no proposal had yet been received from UNEP regarding the relocation of UNSCEAR headquarters to Nairobi.

53. In reply to the question raised by the representative of Pakistan, he said that the second Professional post, which had indeed remained vacant since 1980, could be held in reserve and the issue would be reconsidered in the context of restructuring.

54. The CHAIRMAN said that, if there were no further comments, he would take it that the Fifth Committee wished to recommend to the General Assembly that it request the Secretary-General to explore possible alternatives for the organizational location and administrative support arrangements for the UNSCEAR secretariat.

55. It was so decided.

Level of secretaries of intergovernmental policy-making organs (A/C.5/47/28)

56. Mr. NA CHAMPASSAK (Australia), noting that the Secretary-General's report contained in document A/C.5/47/28 did not appear to have any budgetary implications, said that his delegation would welcome clarification from the Secretariat regarding the post of Chief, Deliberations and Negotiations Activities Branch, in particular, as to whether the reference in paragraph 9 was to the incumbent or to the post.

57. Mr. KHAMIS (Office of Programme Planning, Budget and Finance) said that the reference in document A/C.5/47/28 was to the incumbent, rather than the post.

58. Mr. STITT (United Kingdom) said that reasons could be advanced both for and against the harmonization of posts.

59. The CHAIRMAN said that, if there were no further comments, he would suggest that the Committee recommend to the General Assembly that it request the Secretary-General to review the situation in the context of the preparation of the programme budget for the biennium 1994-1995 with a view to harmonizing the level of secretaries of intergovernmental policy-making organs.

60. It was so decided.

AGENDA ITEM 12: REPORT OF THE ECONOMIC AND SOCIAL COUNCIL (A/47/3, chaps. I, V (sects. B and C) and IX)

61. The CHAIRMAN said that, if he heard no objection, he would suggest that the Committee recommend to the General Assembly that it take note of the chapters of the report of the Economic and Social Council that were allocated to the Fifth Committee.

62. It was so decided.

63. Mr. COHEN (Israel), speaking in explanation of position, reiterated Israel's strong reservations with regard to the programme of assistance to the Palestinian people proposed in Economic and Social Council resolution 1992/58 (A/47/3, chap. V, sect. B). Had the resolution been put to a vote, his delegation would have voted against it.

The meeting rose at 12.35 p.m.